

# City of Auburn



## **FY2012 Action Plan**

### **Community Development Block Grant and HOME Investment Partnerships Programs**

---



# City of Auburn, Maine

## FY2012 Action Plan

### Table of Contents

#### General

|  |         |
|--|---------|
| Executive Summary.....                             | page 2  |
| Citizen Participation.....                         | page 5  |
| Resources.....                                     | page 6  |
| Description of Activities and Objectives .....     | page 8  |
| Geographic Distribution/Allocation Priorities..... | page 15 |
| Annual Affordable Housing Goals.....               | page 17 |
| Public Housing.....                                | page 17 |
| Homeless and Special Needs.....                    | page 17 |
| Barriers to Affordable Housing.....                | page 18 |
| Other Actions.....                                 | page 18 |
| CDBG Specific Requirements.....                    | page 18 |
| HOME Specific Requirements.....                    | page 20 |
| Monitoring Plan.....                               | page 22 |

#### Appendices

- Form SF-424 for CDBG and HOME
- Certifications
- Meeting Records
- Table 3A and 3B, Summary of Specific Annual Objectives and Affordable Housing Completion Goals
- Community Development and HOME Activities Project Summary Sheets
- Order: Adoption of FY2012 Action Plan
- Adopted Budget

## Executive Summary

The City of Auburn receives an annual Community Development Block (CDBG) grant from the United States Housing and Urban Development. Also, the Cities of Auburn and Lewiston formed a consortium to become eligible to receive HOME funds. This brings additional resources to both communities to assist in creating affordable housing. The HOME allocation is shared with the City of Lewiston.

Resources available during the FY2012 Plan period are identified below.

| <b>Community Development Block Grant</b> |                  |
|--|------------------|
| <b>FY2012 Allocation</b>                 | \$487,488        |
| <b>FY2012 Program Income</b>             | 260,000          |
| <b>Reprogrammed Funds</b>                | 243,115          |
| <b>Total</b>                             | <b>\$990,603</b> |

| <b>HOME Investment Partnerships Program</b> |                  |
|---|------------------|
| <b>FY2012 Allocation</b>                    | \$380,104        |
| <b>FY2012 Program Income</b>                | 42,330           |
| <b>Prior Year Funds</b>                     | 166,717          |
| <b>Reprogrammed Funds</b>                   | 125,000          |
| <b>Total</b>                                | <b>\$714,151</b> |

| <b>Other Federal Resources</b>                        |                  |
|---|------------------|
| <b>Urban Development Action Grant</b>                 | \$161,268        |
| <b>Lead Hazard Control Grant</b>                      | 5,500            |
| <b>Neighborhood Stabilization Program Grant NSP-1</b> | 5,000            |
| <b>Neighborhood Stabilization Program Grant NSP-3</b> | 6,800            |
| <b>Total</b>  | <b>\$178,568</b> |

These federal funds will leverage \$1,813,902 in other resources.

The FY2012 Action Plan includes goals and objectives for the coming year for both Auburn and Lewiston with HOME Investment Partnerships Program funds.

## Annual Objectives

### Auburn

1. Quality affordable housing (Outcome is Affordability)
  - a** 22 owner and rental units rehabilitated (none made lead safe)
  - b** 15 owner and rental units weatherized
  - c** 10 buyers assisted to purchase a home

City of Auburn  
FY2012— Third Program Year Action Plan

---

- d** 30 owners assisted to heat their homes
- e** 10 homeless or at-risk of homelessness assisted with security deposits (accessibility)

2. Attractive neighborhoods (Outcome is Sustainability)

- a** 2,510 linear feet of improved streetscapes –
  - repaved sidewalks/granite curbing
  - Landscaping/trees
- b** 5 building exteriors improved

3. Economic opportunity (Outcome is Availability)

- a** 5 micro-business start-ups assisted

4. High quality of life for residents (Outcome is Accessibility)

- a** residents assisted to access services that provide life and job skills training
  - 167 children, youth, and their families
  - 173 individuals
  - 20 homeless individuals

**Strategies**

These are the ways that the objectives for FY2012 will be accomplished. The current strategies for accomplishing the objectives include:

- Low or no interest loans, often deferred for a period of time, and repaid into revolving loan funds, for the purposes of:
  - Assisting new owners to buy single family or multi-family homes;
  - Helping owners to rehabilitate and weatherize their homes;
  - Helping landlords to rehabilitate and weatherize buildings for low- and moderate income tenants;
  - Assisting owners and landlords in target neighborhoods to improve the exterior of their homes;
  - Providing security deposit help for homeless people;
  - Helping owners with heating bills;
  - Helping small businesses improve their buildings; and
  - Helping with small businesses assistance.
- Neighborhood public improvements, such as:
  - Streetscape improvements, including repaved sidewalks and landscaping; and
  - Municipal parks and playground equipment;
- Staff counseling and advice to housing market participants:
  - Financial planning for homeowners;
  - Rehabilitation advice and construction monitoring;
  - Education for landlords and homeowners about lead hazards and testing; and
  - Relocation for residents displaced by Community Development activities.
- Grants for the purposes of:

City of Auburn  
FY2012— Third Program Year Action Plan

---

- Life and job skills training for residents; and
- Building exterior improvements

**Lewiston**

1. Quality affordable housing (Outcome is Affordability)
  - a. 5 owner units rehabilitated
  - b. 2 buyers assisted to purchase a home
  - c. 25 homeless or at-risk of homelessness assisted with security deposits

**Strategies**

- Low or no interest loans, often deferred for a period of time, and repaid into revolving loan funds, for the purposes of:

- Assisting new owners to buy single family or multi-family homes;
- Helping owners to rehabilitate and weatherize their homes;
- Helping developers to build new affordable rental housing;
- Providing security deposit help for homeless people;

**Past Performance**

To give an idea of the contribution of the Community Development program to the quality of life in Auburn, here is what the program has accomplished in the previous year:

- Helped to rehabilitate 125 owner and renter residential units, 68 of which are now lead safe and 19 are fully weatherized;
- Helped 3 homebuyers to purchase a single family home or multi-unit dwelling;
- Assisted 841 residents to access social services that improve quality of life;
- Assisted 16 owners to heat their homes;
- Renovated 2 building exteriors;
- Demolished seven substandard housing units; and
- Made 2,940 linear feet of streetscape improvements – repaved sidewalks and landscaping

## **FY2012 ACTION PLAN**

### **Citizen Participation**

The planning process for the FY2012 Action Plan, the third year of the City of Auburn's 5-Year Strategic Plan, started with scheduling activities and identifying deadlines for completing the process to submit to the Department of Housing and Urban Development.

- On November 1, 2011 the Cities of Auburn and Lewiston posted a notice of public service application availability in the Lewiston newspaper. Proposals were due December 1, 2011.
- A meeting of the Citizens Advisory Committee meeting was held on February 15, 2012 and open to the public. Nine members of the CAC reviewed the proposed Annual Plan and budget (minutes are attached). The CAC consists of 19 Auburn residents, a diverse group representing Auburn's target areas, Lewiston-Auburn Alliance for Services to the Homeless, social service agencies, City Council, Community Development Loan Committee, tenants, non-profit housing developer, Auburn Housing Authority, and a realtor.
- On February 27, 2012 Community Development staff met with the Auburn City Council to review the proposed budget. Staff met three subsequent times, April 2, April 17, and April 27. Annual budget and objectives were established for the year. All meetings were broadcasted on a local television station.
- A notice of Action Plan availability was published in the Lewiston Daily Sun on March 2, 2012. A hard copy of the draft Action Plan was available at no cost and the Action Plan was posted to the City's web site. The 30-day comment period expired April 2, 2012. There were no comments from the public.
- A notice of public hearing and proposed use of funds was published in the Lewiston Sun Journal on April 10, 2012. The notice included a description of proposed activities included changes to the budget from what had been proposed at the beginning of the comment period. Another meeting notice was published on May 3<sup>rd</sup>. The Action Plan was adopted on May 7, 2012 following a public hearing.

The Community Development Program has solid citizen involvement throughout the year by encouraging participation in administering the various programs and special projects. Commercial, Rehabilitation, Demolition, Homebuyer and Homeowner Rehabilitation loans are reviewed and approved by a 9-member committee consisting of three bankers and Auburn residents, two of which are low-income persons and two from target areas. There are two committees involved in the Neighborhood Stabilization Program, the Community Development Loan Committee who approves applications for participation, and the Neighborhood Stabilization Program Advisory Committee who approves the purchase and project budget.

## City of Auburn

### FY2012— Third Program Year Action Plan

---

Other initiatives undertaken by Community Development staff also involve citizen participation. For the last decade Auburn participated in the Lewiston-Auburn

Alliance for Services to the Homeless made up of 20+ members from public service Agencies. For the past six years, a 9-member Security Deposit Committee had worked on administering a security deposit program and a 7-member Public Policy Committee is working on implementation of the 10-Year Plan to End Homelessness.

**Comment:** There was concern amongst members of the Citizen's Advisory Committee that funding the social services had been reduced and we would not be able to meet our goals. There was also concern about starting the new Curb Appeal Grant Program at a time of dwindling resources.

## Resources

The resources to implement this FY2012 Action Plan are Community Development Block Grant, HOME Investment Partnerships Program, Urban Development Action Grant, Neighborhood Stabilization Program, Lead Hazards Control Grant as well as other leveraged resources. Resources available during the FY2012 Plan period are identified below.

### FEDERAL GRANT RESOURCES

| <b>Community Development Block Grant</b> |                  |
|--|------------------|
| <b>FY2012 Allocation</b>                 | \$487,488        |
| <b>FY2012 Program Income</b>             | 260,000          |
| <b>Reprogrammed Funds</b>                | 243,115          |
| <b>Total</b>                             | <b>\$990,603</b> |

| <b>HOME Investment Partnerships Program</b> |                  |
|---|------------------|
| <b>FY2012 Allocation</b>                    | \$380,104        |
| <b>FY2012 Program Income</b>                | 42,330           |
| <b>Prior Year Funds</b>                     | 166,717          |
| <b>Reprogrammed Funds</b>                   | 125,000          |
| <b>Total</b>                                | <b>\$714,151</b> |

| <b>Other Federal Resources</b>                        |                  |
|---|------------------|
| <b>Urban Development Action Grant</b>                 | \$161,268        |
| <b>Lead Hazard Control Grant</b>                      | 5,500            |
| <b>Neighborhood Stabilization Program Grant NSP-1</b> | 5,000            |
| <b>Neighborhood Stabilization Program Grant NSP-3</b> | 6,800            |
| <b>Total</b>  | <b>\$178,568</b> |

### LEVERAGED RESOURCES

Federal funds will leverage \$1,813,902 in additional resources as match from various loan programs and public service activities provided all budgets are spent.

### LEVERAGED FUNDS

| ACTIVITIES                                   | AMOUNT             |
|--|--------------------|
| <b>Weatherization (Department of Energy)</b> | \$ 51,675          |
| <b>Micro-Loan Program</b>                    | 32,500             |
| <b>Rehabilitation</b>                        | 20,000             |
| <b>Rebuilding Together</b>                   | 5,000              |
| <b>Curb Appeal Program</b>                   | 25,000             |
| <b>Social Services</b>                       | 151,727            |
| <b>Homebuyer/Bank Funds</b>                  | 500,000            |
| <b>YouthBuild</b>                            | 1,028,000          |
| <b>Total</b>                                 | <b>\$1,813,902</b> |

The Cities of Auburn and Lewiston formed a consortium to become eligible to receive HOME funds. This brings additional resources to the communities to assist in creating affordable rental housing, encouraging home ownership, assisting home owners with repairs, and helping the homeless to become renters.

The FY2012 Action Plan includes goals and objectives for the coming year for both Auburn and Lewiston with HOME Investment Partnerships Program funds.

The chart summarizes the priorities and specific objectives the City of Auburn intends to initiate.

|     | <b>Objective Category:<br/>Decent Housing</b>  |     | <b>Objective Category:<br/>Expanded Economic<br/>Opportunities</b>   |   | <b>Objective Category:<br/>Expanded Economic<br/>Opportunities</b>   |
|-----|--|-----|--|---|--|
|     | <b>Affordability</b>   |     | <b>Sustainability</b>  |   | <b>Availability and Accessibility</b>  |
| X   | assisting homeless persons obtain affordable housing   | X   | improving the safety and livability of neighborhoods   | X | job creation and retention   |
| X   | assisting persons at risk of becoming homeless   | X   | eliminating blighting influences and the deterioration of property and facilities  | X | establishment, stabilization and expansion of small business (including micro-businesses)  |
| n/a | retaining the affordable housing stock   | X   | increasing the access to quality public and private facilities   | X | the provision of public services concerned with employment   |
| n/a | increasing the availability of affordable permanent housing in standard condition to low-income and moderate-income families, particularly to members of disadvantaged minorities without discrimination on the basis of race, color, religion, sex, national origin, familial status, or disability |     | reducing the isolation of income groups within areas through spatial deconcentration of housing opportunities for lower income persons and the revitalization of deteriorating neighborhoods | X | the provision of jobs to low-income persons living in areas affected by those programs and activities under programs covered by the plan |
| n/a | increasing the supply of supportive housing which includes structural features and services to enable persons with special needs (including persons with HIV/AIDS) to live in dignity and independence   | n/a | restoring and preserving properties of special historic, architectural, or aesthetic value   | X | availability of mortgage financing for low income persons at reasonable rates using non-discriminatory lending practices                 |
| n/a | providing affordable housing that is accessible to job opportunities   | X   | conserving energy resources and use of renewable energy sources  | X | access to capital and credit for development activities that promote the long-term economic social viability of the community            |



## Description of Activities and Objectives

The FY2012 Action Plan includes objectives for the coming year that will be funded from \$990,603 in Community Development Funds and \$516,842 in HOME Investment Partnerships Program funds for the City of Auburn, \$197,309 in HOME Investment Partnerships Program funds for the City of Lewiston, \$161,268 in UDAG Grant funds, and \$17,300 from other grants.

Reprogrammed Community Development funds of \$243,115 are from the following activities: Rehabilitation Program, Lead Match, Winterize L/A; Down Payment Assistance, Economic Stimulus, Tedford Housing, and Good Neighbor Start-up. Reprogrammed HOME funds is from the rental loan pool. Reprogrammed funds from UDAG are from the Roak Block project funded in FY2011. A summary of the budget follows.

### COMMUNITY DEVELOPMENT BLOCK GRANT BUDGET

|  | REPROGRAMMED<br>FUNDS | NEW<br>ALLOCATION | PROJECTED<br>INCOME | TOTAL<br>BUDGET  |
|--|-----------------------|-------------------|---------------------|------------------|
| <b>Administration</b>  |                       |                   |                     |                  |
| Program Administration   |                       | \$84,500          | * \$31,500          | \$116,000        |
| Housing Administration   |                       | 81,000            |                     | 81,000           |
| Goods And Services   |                       | 32,700            |                     | 32,700           |
| <b>Economic Development</b>                                    |                       |                   |                     |                  |
| Micro Loan Program   |                       | 36,500            | 28,500              | 65,000           |
| <b>Affordable Housing</b>                                      |                       |                   |                     |                  |
| Rehabilitation Loan Program                                    |                       |                   | 150,000             | 150,000          |
| Lead Testing/Clearance/Training                                |                       | 5,000             |                     | 5,000            |
| Community Concepts Inc./Weatherization                         | 62,500                |                   |                     | 62,500           |
| Rebuilding Together  |                       | 2,000             |                     | 2,000            |
| Curb Appeal Program  | 50,000                |                   |                     | 50,000           |
| <b>Public Improvements</b>                                     |                       |                   |                     |                  |
| Sidewalks  | 130,615               | 248               | ** 50,000           | 180,863          |
| Boys & Girls Club Drainage Improvements                        |                       | 10,000            |                     | 10,000           |
| Washburn School Playground                                     |                       | 11,040            |                     | 11,040           |
| Municipal Beach Master Plan/Improvements                       |                       | 62,500            |                     | 62,500           |
| <b>Acquisition &amp; Demolition</b>                            |                       |                   |                     |                  |
| New Auburn River Trail/Acquisition & Demolition 9 Broad Street |                       | 75,000            |                     | 75,000           |
| <b>Public Services</b>   |                       |                   |                     |                  |
| Androscoggin Head Start/Family Advocacy                        |                       | 8,500             |                     | 8,500            |
| Auburn Recreation Scholarships                                 |                       | 28,000            |                     | 28,000           |
| Literacy Volunteers/Adult Literacy                             |                       | 8,500             |                     | 8,500            |
| Safe Voices/Social Services                                    |                       | 8,000             |                     | 8,000            |
| Heating Assistance Loans                                       |                       | 25,000            |                     | 25,000           |
| Tedford Housing  |                       | 3,000             |                     | 3,000            |
| Catholic Charities/Search                                      |                       | 2,500             |                     | 2,500            |
| Catholic charities/Residential Shelter                         |                       | 3,500             |                     | 3,500            |
| <b>Total Expenditures</b>                                      | <b>\$243,115</b>      | <b>\$487,488</b>  | <b>\$260,000</b>    | <b>\$990,603</b> |

\* Miscellaneous Program Income and  
Down Payment Assistance Income

\*\* Rehabilitation Program Income

**AUBURN HOME INVESTMENT PARTNERSHIPS PROGRAM BUDGET**

|  | PRIOR YEAR<br>FUNDS | REPROGRAMMED<br>FUNDS | NEW<br>ALLOCATION | PROJECTED<br>INCOME | TOTAL<br>BUDGET  |
|--|---------------------|-----------------------|-------------------|---------------------|------------------|
| <b>Planning &amp; Administration</b>             |                     |                       |                   |                     |                  |
| Program Administration                           |                     |                       | 26,500            |                     | 26,500           |
| Project Delivery Costs                           |                     |                       | 40,000            |                     | 40,000           |
| Analysis to Impediments to Fair Housing          |                     |                       | 5,000             |                     | 5,000            |
| Goods And Services                               |                     |                       | 3,500             |                     | 3,500            |
| <b>Affordable Housing</b>                        |                     |                       |                   |                     |                  |
| Homebuyer Assistance Program                     | 93,415              | 85,000                | 25,295            | 12,400              | 216,110          |
| Homebuyer Assistance/YouthBuild                  |                     | 40,000                |                   |                     | 40,000           |
| Homeowner Rehabilitation                         | 50,000              |                       | 97,359            | 18,800              | 166,159          |
| Tenant Based Rental Assistance/Security Deposits | 14,773              |                       |                   | 4,800               | 19,573           |
| <b>Total</b>                                     | <b>\$158,188</b>    | <b>\$125,000</b>      | <b>\$197,654</b>  | <b>\$36,000</b>     | <b>\$516,842</b> |

**LEWISTON HOME INVESTMENT PARTNERSHIPS PROGRAM BUDGET**

|  | PRIOR YEAR<br>FUNDS | NEW<br>ALLOCATION | PROJECTED<br>INCOME | TOTAL<br>BUDGET  |
|--|---------------------|-------------------|---------------------|------------------|
| <b>Administration</b>                            |                     |                   |                     |                  |
| Program Administration                           |                     | 11,403            |                     | \$11,403         |
| <b>Affordable Housing</b>                        |                     |                   |                     |                  |
| Homebuyer Assistance *                           | 508                 | 30,000            | 1,391               | \$31,899         |
| Homeowner Rehabilitation *                       | 1,149               | 118,547           | 3,989               | \$123,685        |
| Rental Housing Development *                     |                     | 12,500            |                     | \$12,500         |
| Tenant Based Rental Assistance/Security Deposits | 6,872               | 10,000            | 950                 | \$17,822         |
| <b>Total Budget</b>                              | <b>\$8,529</b>      | <b>\$182,450</b>  | <b>\$6,330</b>      | <b>\$197,309</b> |

\*Project delivery costs are included in these budgets.

**URBAN DEVELOPMENT ACTION GRANT/PRIOR YEAR FUNDS**

|                                     | TOTAL<br>BUDGET  |
|-------------------------------------|------------------|
| Community Little Theater Loan       | \$40,000         |
| New Auburn River Trail Improvements | 96,268           |
| Great Falls Park/Master Plan        | 25,000           |
| <b>Total UDAG Budget</b>            | <b>\$161,268</b> |

**OTHER GRANTS/PRIOR YEAR FUNDS**

|  | TOTAL<br>BUDGET |
|--|-----------------|
| Lead Hazard Control Grant                        | \$5,500         |
| Neighborhood Stabilization Program Grant (NSP-1) | 5,000           |
| Neighborhood Stabilization Program Grant (NSP-3) | 6,800           |
| <b>Total Budget</b>                              | <b>\$17,300</b> |

The following identifies the programs or activities to address the priority needs, specific goals and objectives identified in the 2010-14 Consolidated Plan, and the outcomes for the coming year.

**GOAL: QUALITY AFFORDABLE HOUSING**

**AUBURN OBJECTIVES**

- a** 22 owner and rental units rehabilitated none of which will be made lead safe (affordability)
- b** 15 owner and rental units weatherized (affordability)
- c** 10 buyers assisted to purchase a home (affordability)
- d** 30 owners assisted to heat their homes (sustainability)
- g** 10 homeless or at-risk of homelessness assisted with security deposits (accessibility)

**LEWISTON OBJECTIVES**

- a** 5 owner units rehabilitated all of which will be lead safe (affordability)
- b** 2 buyers assisted to purchase a home (affordability)
- c** 25 homeless or at-risk of homelessness assisted with security deposits (accessibility)

**HOMEBUYER ASSISTANCE:** Grants and loans and will be available to promote home ownership in target areas as well as in outlying parts of Auburn. The City offers credit counseling, and purchase subsidy. Assistance is available to households whose income is less than 80% of median to purchase homes.

**Homebuyer Loan Program (Funding Source/HOME)**—The program assists new homebuyers. The City will match the applicants savings three dollars for each dollar saved up to \$5,000 to cover the down payment. The City will also provide a \$15,000 interest-free loan amortized for 30 or 40 years, depending on need. The program is available to participants who can obtain standard financing. The City will work with applicants whose credit is not adequate to obtain a mortgage to correct their credit, reduce debt, or work on financial stability. The HOME assistance anticipates that housing ratios will be between 25-32% of income for mortgage payment, taxes and insurance.

**YouthBuild (Funding Source/HOME)**—The Community Development Department will partner with YouthBuild and Auburn Housing Development Corporation to redevelop a tax-acquired property. The property will be donated to Auburn Housing Development Corporation, a local CHDO, who will hold title until the property is sold to a low-income household. Income from the sale will be returned to the HOME Program. The HOME funds will be used to purchase materials and some contracted construction services. YouthBuild L/A has applied to the Department of Labor for a 2-year grant. The YouthBuild grant will cover the cost of educating and training local students who will work on the project.

**REHABILITATION:** Loans will be available for housing renovations to owner-occupied and investor-owned housing to eliminate substandard housing conditions,

improve or update long-term maintenance of residential buildings, make homes lead-safe, decrease the consumption of energy resources thereby lowering the housing cost burden, make housing accessible, improve building exteriors, and assist with temporary or permanently displaced tenants. Various types of loans are available, depending on income and whether or not the property is in a target area.

Auburn offers two types of assistance: 1) deferred loans for households with income less than 65% of median income which requires no payment until the owner's income increases above 65% of median; and 2) amortized loans. Auburn also offers grants to cover the cost of sewer assessments for persons under 80% of median income.

During several of the budget workshops the City Council discussed the need to improve the Downtown. They felt market rate housing would increase the number of people who have the financial resources that support a more vibrant downtown. They didn't feel the Rehabilitation Program was in line with their redirection for the downtown. The following programs remain available; however, each program will be reviewed by the City Council in the coming months and modified or eliminated.

**Energy Funding (Funding Source/Community Development)**—The Energy Program assists property owners of rental housing and owner-occupants to substantially reduce the demand for energy resources. This program is available throughout the city.

**Spot Rehab (Funding Source/Community Development)**—The Spot Rehab Program assists owner-occupants to eliminate conditions detrimental to public health and safety. This program is also available throughout the city.

**Residential Rehabilitation (Funding Source/Community Development)**—The Residential Rehab Program assists property owners of rental housing and owner-occupants to eliminate substandard housing conditions and improve or update long-term maintenance items. The program is available in target areas and outside the target areas if the owner's income is less than 80% of median.

**Lead (Funding Source/Community Development)**—The Lead Program assists property owners to eliminate hazards in units of lead-poisoned children. The program is available throughout the City.

**Accessible Housing (Funding Source/Community Development)**—The Accessible Housing Program assists property owners to make improvements to properties that prevent persons with physical disabilities from visiting or occupying a housing unit. The program is available in target areas and outside target areas if the owner's income is less than 80% of median.

**Historic Preservation (Funding Source/Community Development)**—The Historic Preservation Program assists property owners of historic structures to make building improvements. The program is available in target areas to properties that are listed in Auburn's Historic Downtown Final Report.

**Weatherization Program (Funding Source/Community Development)**—Community Concepts, Inc. will weatherize homes of low-income households with Community Development and Department of Energy resources. The program is available to households with incomes under 65% of area median income in all areas

of the City. The City's loan is on a deferred basis. Community Concepts provides an amount at least equal to the City's loan from a Department of Energy grant as match to the program.

**Homeowner Rehabilitation/Auburn and Lewiston (Funding Source/HOME)**—The Homeowner Rehabilitation Program provides a resource for renovations to owner-occupied units to eliminate substandard housing conditions, improve or update long-term maintenance of residential buildings, make homes lead-safe, decrease the consumption of energy resources thereby lowering the housing cost burden, and assist with temporary or permanently displaced tenants. Loans will be for only the owner units of single and multi-unit residential buildings. Other units within the multi-unit structure will be assisted with Community Development Block Grant funds.

**Neighborhood Enhancement Program**—This program was created in FY2011 as a new resource for property owners in the target areas to improve the exterior of their properties. The goal is to create attractive neighborhoods. If YouthBuild is successful in their grant, the students will paint homes when not working on the Paul Street property.

**Curb Appeal Program (Funding Source/Community Development)**—Loans and grants will be available to assist property owners of residential and commercial buildings on transportation corridors in target areas to improve the exterior of their property.

**REBUILDING TOGETHER (Funding Source/Community Development)**— The City will provide a grant to a non-profit to purchase materials to make improvements to two homes owned and occupied by low income Auburn residents.

**SECURITY DEPOSIT LOANS/AUBURN AND LEWISTON (Funding Source/HOME)**—The Security Deposit program will increase access to rental housing for the homeless population. This is part of Auburn and Lewiston's housing first approach, to place homeless people in housing as quickly as possible. HOME funds will be used to cover security deposits for tenants who receive a rental voucher from Auburn Housing Authority or Lewiston Housing Authority. Requests from applicants who do not receive a rental voucher will be funded with resources obtained from private grants.

**RELOCATION/Auburn and Lewiston (Funding Source/Community Development or HOME)**—Community Development staff will work with tenants who are displaced by funded projects. Any assistance will be in the form of grants. Relocation expenses for displaced tenants will be taken from the Rehab Program account.

**ANALYSIS TO IMPEDIMENTS TO FAIR HOUSING (Funding Source/HOME)**—HOME funds will be used to secure the services of a consultant to assist with conducting an analysis to the impediments to fair housing for the cities of Auburn and Lewiston.

**GOAL: ATTRACTIVE NEIGHBORHOODS**

**OBJECTIVES**

- a** 2,510 linear feet of improved sidewalks (Sustainability)
- b** 5 building exteriors improved (Sustainability)

**SIDEWALK IMPROVEMENTS**—The project will to improve sidewalks in the Downtown Target Area. The scope of work is to install new granite curbing with bituminous pavement on the sidewalks, and upgrade the area with landscaping/trees. The project location is Spring Street.

**NEIGHBORHOOD BEAUTIFICATION**—New commercial and residential rehab programs (see Neighborhood Enhancement Program and Curb Appeal Program above) will be created in FY2012 in an effort to meet a new Consolidated Plan goal—to create attractive neighborhoods, and objective—to improve building exteriors.

**BOYS & GIRLS CLUB**—The Boys & Girls Club project involves drainage improvements to the back wall of the building at 43 Second Street. This building is a city-owned facility. Many years ago, when the building was renovated to accommodate the Boys & Girls Club, the funding was inadequate to complete all renovations needed.

**WASHBURN SCHOOL PLAYGROUND**—The City will provide a grant to the Auburn School Department to purchase playground equipment.

**MUNICIPAL BEACH**—The municipal beach is a City-owned facility that is in poor condition. The City will seek the services of a landscape architect to re-design the facility and propose improvements that will enhance its use.

**NEW AUBURN RIVER TRAIL**—The City will purchase a property at 9 Broad Street, demolish the building, and prepare the site for a walking trail.

**GOAL: ECONOMIC OPPORTUNITY**

**OBJECTIVES**

- a** 5 micro-enterprise business start-ups assisted. (Availability)

**MICRO LOAN PROGRAM**—The objective of this program will be to create new jobs in the community, primarily for low- income persons by providing businesses with a source of financing to start-ups. Guidelines for this program have not yet been written; however, we anticipate the financing limit will be in the range of \$15,000 per business.

**GOAL: HIGH QUALITY OF LIFE FOR RESIDENTS**

**OBJECTIVES**

Residents assisted to access services that provide life and job skills training (Accessibility)

- a** 167 children, youth, and their families
- b** 173 individuals
- c** 20 homeless individuals

**ANDROSCOGGIN HEAD START AND CHILD CARE**—This public service grant will cover the services of an advocate for families enrolled in head start and licensed child care programs. Services will be available to economically disadvantaged children whose parents are working or involved in job training. The objectives of this activity are to assist families in meeting their basic needs, provide parent training, provide information and referrals, develop a strategy to maintain or attain economic independence, and provide crisis intervention. The child care fees are on a sliding scale based on income

**AUBURN RECREATION DEPARTMENT**—This public service grant will cover scholarships for extremely-low and very-low income households to participate in recreation programs. The Recreation Department initiated registration fees to supplement the cost of programming. They maintain a policy that allows any child to participate regardless of their family's economic status. Scholarships will be limited to pre-school children through secondary school level whose household income is less than 50% of area median income.

**LITERACY VOLUNTEERS OF AMERICA OF LEWISTON-AUBURN**—This public service grant will cover one-on-one tutoring for reading and writing to increase adult and family literacy. The literacy program provides tutoring for reading, writing, and basic math for adults and families in Androscoggin County who are at the lowest two literacy levels. They also offer tutoring for English speakers of other languages. The focus is to help adults with low literacy skills and immigrants gain critical reading, writing, and math skills that increase employability.

**SAFE VOICES**—This public service grant will cover a portion of salaries for shelter workers in order to maintain current level of staffing. The shelter serves women and children who are victims of domestic violence. The 15-bed shelter is often filled to capacity. The shelter employs 5 full-time staff. Their clients are usually forced to leave behind most of their possessions and many lose their jobs when they come to the shelter. They need to maintain the current level of staffing in order to help move families into safe and permanent housing. Staff provides technical assistance and emotional support that allows women and children who become homeless to begin again. They also develop safety plans and extend case management services, advocacy, parenting support, housing assistance, job search assistance and referrals to other service providers.

**HEATING ASSISTANCE LOANS**—This program is administered jointly by Auburn's Health and Social Services Department and Community Development. The program provides another resource to low-income homeowners to help pay for heating fuel. Funds may be used to pay for oil, natural gas, propane, wood, pellets, or electric heat. Deferred loans of either \$500 or \$1,000 are available to people whose income is under 80% of area median income. 50% of the funds are reserved for households who are elderly or disabled. The applicant has 90 days to spend the funds after the closing.



**TEDFORD HOUSING**—This public service grant will be used to pay for residential attendant services for a supportive housing project in Auburn. Tedford Housing will create permanent supportive housing for formerly homeless single adults. Services will help these individuals to improve quality of life and remain living independently.

**CATHOLIC CHARITIES**—This public service grant will assist elderly and disabled clients with support services to help them remain independent. The program is administered with the assistance of volunteers who make telephone calls, home visits and assist with home and yard chores, provide transportation to appointments, help with paperwork, socialization, and referrals to other programs.

**CATHOLIC CHARITIES**—This public service grant will provide services at a residential substance abuse shelter serving men over age 18. St. Francis Recovery Center provides two 16-bed programs in one facility. The shelter provides a structured therapeutic environment for clients who are on a waiting list for treatment or who have completed a detoxification program and need social support to enable them to remain sober.

### Geographic Distribution/Allocation Priorities

In January 2010 the Auburn City Council adopted the Update to Urban Conditions Study of 1994. The study surveyed the conditions of buildings which indicated 75% of buildings in the target areas were in need of some repair. Blighted areas were established by neighborhoods in which the average score was less than 3.4. The neighborhoods are: Downtown, Union Street, New Auburn, Sandy Beach, and Manley Road Target Areas. These are the locations where Auburn will invest the majority of its Community Development and HOME Investment Partnerships funds, especially for public improvements, housing rehabilitation, homebuyer and commercial assistance.

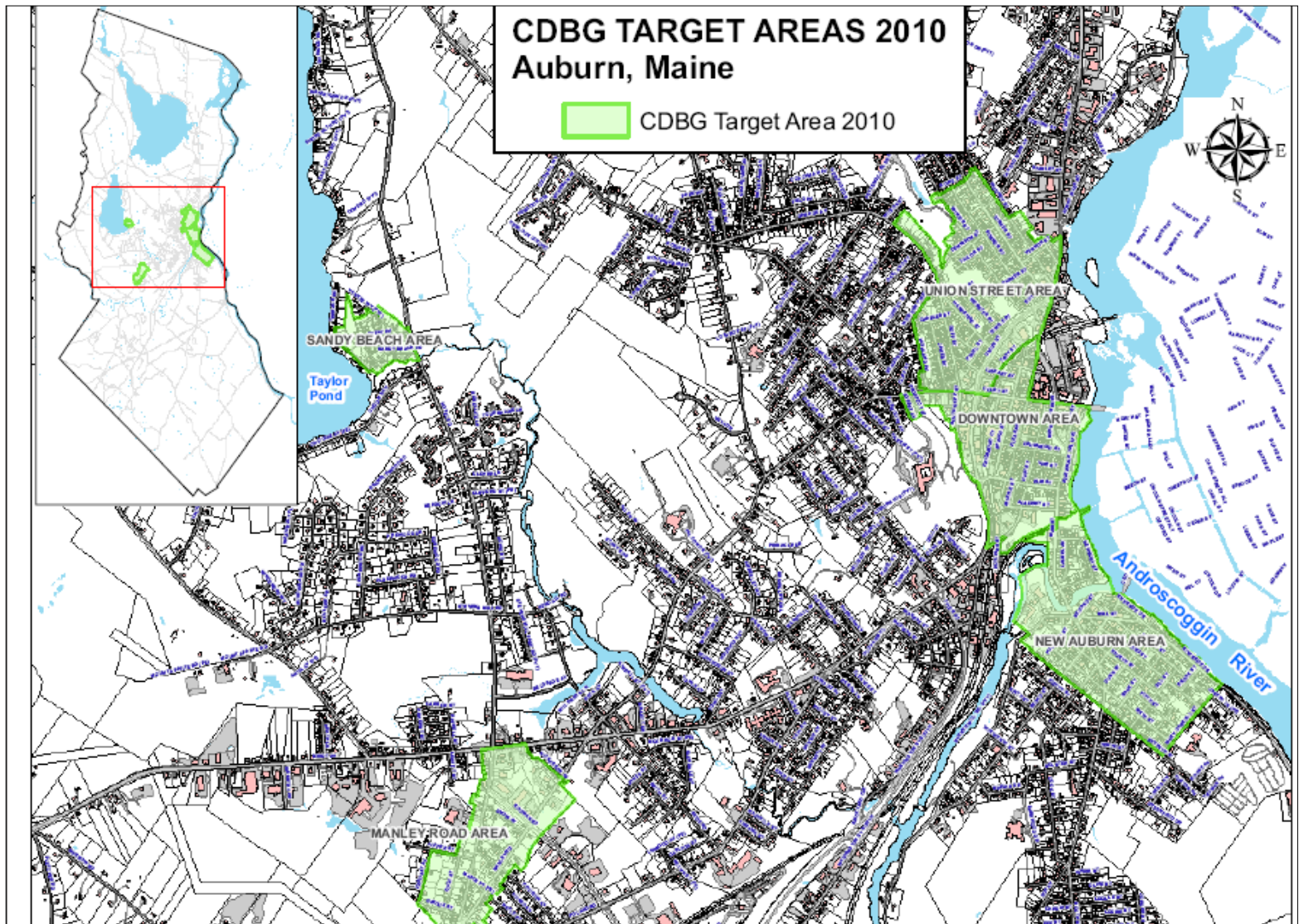
The target areas are where there is the greatest need for public investment. This Action Plan includes public improvement projects in the Downtown and New Auburn Target Area (sidewalks, New Auburn River Trail, and Boys & Girls Club). The municipal beach project is not in a target area.

Other programs are available both in target areas and throughout the city.

### Geographic Distribution Table

| Program             | Target Areas | Estimate in | City-Wide |
|---------------------|--------------|-------------|-----------|
| Rehabilitation      | X            | 25%         | X         |
| Curb Appeal         | X            | 100%        |           |
| Rebuilding Together | X            | unknown     | X         |
| Homebuyer           | X            | 75%         | X         |
| Micro-Loans         | X            | unknown     | X         |
| Public Services     | X            | unknown     | X         |





The Citizens Advisory Committee developed a vision statement, identified program goals, and established objectives and outcomes based on:

- 1) housing needs identified in the 2000 and 2005-2007 Comprehensive Housing Affordability Strategy (CHAS) data provided by HUD, which includes special Census housing and income tabulations, and 2006-2008 American Community Survey data;
- 2) local housing and homeless data, including data provided by local and state housing authorities and the *2009 10-Year Plan to End Homelessness in Lewiston and Auburn*; and
- 3) community needs information provided by local service agencies and by City of Auburn public facilities, recreation, and economic development departments.

## Annual Affordable Housing Goals

| <u>Program</u>  | <b>Expected Number<br/>of Units to be Completed</b> |                 |
|---|---|-----------------|
|   | <u>Auburn</u>                                       | <u>Lewiston</u> |
| Homeowner Goals (Section 215)<br>CDBG, HOME, Neighborhood Stabilization | 10  | 2               |
| <b>Overall Section 215 Goals</b>  | <b>10</b>   | <b>2</b>        |

## Public Housing

The Community Development Department works closely with Auburn Housing Authority to market its home ownership programs. At least annually, families living in public housing as well as those on the voucher program will receive a notice about the availability of housing programs.

Auburn Housing Authority currently has three resident commissioners, one more than required under state law, who effectively represent the interests of all residents. In addition, Auburn Housing Authority consults regularly with resident associations and holds board meetings in different housing developments throughout the year. Auburn Housing's affiliate, Auburn Housing Development Corporation, works closely with the City of Auburn to provide home ownership opportunities to lower income households through a lease to purchase option under the Homebuyer Program.

Auburn Housing Authority is designated a "high performer" in both Section 8 and public housing programs by HUD rating systems.

## Homeless and Special Needs

In FY2011 two new supportive housing resource became available for chronically homeless persons. The Cities of Auburn and Lewiston provided HOME funds to assist in creating 6 units for individuals in Auburn and 10 units for homeless families in Lewiston.

*The 10-Year Plan to End Homelessness in Lewiston and Auburn* is designed to break the pattern of homelessness and prevent homelessness for those at risk due to unforeseen circumstances. It offers a path for the homeless themselves to accept responsibility and move forward. At the same time, it provides a path for the community to create the opportunities that homeless need to succeed. It includes overall strategies addressing prevention, early intervention, crisis response, transition, and permanent affordable housing. Each strategy has specifications. Each action has a lead agency that is responsible for coordinating implementation, partners that will contribute to implementation, and benchmarks that describe specific steps necessary over time for successful implementation. The City of Auburn's role will be to provide support for the development of permanent housing.

## Barriers to Affordable Housing

The actions that will be taken to remove barriers to affordable housing include offering programs that will increase home ownership opportunities, improve the quality of owner-occupied and rental housing, increase the supply of affordable rental housing, and providing access to rental housing by those at risk of homelessness.

The Community Development Department provides pre- and post-homebuyer counseling and credit counseling to existing clients, as well as those who want to participate in our programs.

## Other Actions

The Community Development Department evaluates the hazards of lead-based paint through its rehabilitation programs. A lead clearance is done at the conclusion of each covered project.

Efforts to reduce the number of poverty-level families will be supported through public service efforts of sub-recipients. The City of Auburn's Consolidated Plan has identified job training and life skills as a high priority, and working on the 10-Year Plan to End Homelessness.

## CDBG Specific Requirements

Program income that is expected to be received during FY2012 is as follows:

### COMMUNITY DEVELOPMENT BLOCK GRANT

| Program        | Type      | Amount    |
|----------------|-----------|-----------|
| Commercial     | Revolving | \$28,500  |
| Rehabilitation | Revolving | 200,000   |
| Down Payment   | Revolving | 1,500     |
| Miscellaneous  |           | 30,000    |
| Total          |           | \$260,000 |

### HOME INVESTMENT PARTNERSHIPS PROGRAM/AUBURN

| Program           | Type      | Amount   |
|-------------------|-----------|----------|
| Homebuyer         | Revolving | \$12,400 |
| Homeowner Rehab   | Revolving | 18,800   |
| Security Deposits | Revolving | 4,800    |
| Total             |           | \$36,000 |

### HOME INVESTMENT PARTNERSHIPS PROGRAM/ LEWISTON

| Program           | Type      | Amount  |
|-------------------|-----------|---------|
| Homebuyer         | Revolving | \$1,391 |
| Homeowner Rehab   | Revolving | 3,989   |
| Security Deposits | Revolving | 950     |
| Total             |           | \$6,330 |

City of Auburn  
FY2012— Third Program Year Action Plan

---

There are no float-funded activities.

All previous program income has been reported in a previous plan.

There are no Section 108 loan guarantees.

There is no surplus urban renewal settlement.

There was \$11,147.50 of HOME funds returned to the line of credit.

The FY2012 Action Plan includes Community Development resources of \$760,903 that is allocated towards specific program activities. The activities have been evaluated to determine project/program eligibility for either a low income benefit or slums/blight benefit as follows:

| Activity                               | Dollars<br>Low-Mod | Dollars<br>Slums-Blight |
|--|--------------------|-------------------------|
| Micro Loan Program                     | \$65,000           |                         |
| Rehab Loans 70/30                      | \$120,00           | \$30,000                |
| Lead Testing & Clearance               | \$5,000            |                         |
| Community Concepts Weatherization      | \$62,500           |                         |
| Rebuilding Together                    | 2,000              |                         |
| Curb Appeal Program                    |                    | 50,000                  |
| Sidewalk Improvements                  | \$180,863          |                         |
| Boys & Girls Club                      | \$10,000           |                         |
| Washburn School                        | \$11,040           |                         |
| Municipal Beach                        | \$62,500           |                         |
| New Auburn River Trail                 | 75,000             |                         |
| Androscoggin Head Start                | \$8,500            |                         |
| Recreation Scholarships                | \$28,000           |                         |
| Literacy Volunteers                    | \$8,500            |                         |
| Safe Voices                            | \$8,000            |                         |
| Heating Assistance Loans               | \$25,000           |                         |
| Tedford Housing                        | 3,000              |                         |
| Catholic Charities/Search              | \$2,500            |                         |
| Catholic Charities/Residential Shelter | 3,500              |                         |
| <b>Total</b>                           | <b>\$680,903</b>   | <b>\$80,000</b>         |

The evaluation resulted in a low-income benefit of 89.5% benefit and 10.5% of funding will address strategies under the slums/blight objective.

#### **Program Administration Cap**

The FY2012 Action Plan includes \$148,700 to cover the costs for staff and other administrative costs for overall program management, coordination, monitoring, reporting, and evaluation of the Community Development Program. This amount represents 19.9% of the new grant and anticipated program income.

### **Public Services Cap**

The FY2012 Action Plan includes \$87,000 for public services. This amount represents 12% of the FY2012 CDBG grant and estimated program income for year 2011-12.

## **HOME Specific Requirements**

### **Program Administration Cap**

The FY2012 Action Plan includes \$46,403 for Auburn and Lewiston to cover the staffing costs for overall program management, coordination, monitoring, reporting, evaluation of the Home Investment Partnerships Program, and consulting services to assist with an analysis to impediments to fair housing. This amount represents 11% of the new grant and anticipated program income. The Auburn-Lewiston Consortium has, in past years, accumulated excess administrative capacity and will be utilizing a portion of its reserve to conduct the Analysis of Impediments to Fair Housing.

### **HOME Forms of Assistance**

All assistance provided under the HOME Program will be in the form of loans. The Homebuyer, Homeowner Rehab, and Security Deposit Programs will be interest-free amortized loans. The Homebuyer Program also offers match grants. Loans for development of rental housing will be deferred.

### **Recapture Provision**

The Auburn-Lewiston Consortium will follow the recapture provisions for all of its HOME activities. There will be a 5, 10, or 15-year recapture for homebuyer projects, depending on the maximum amount of HOME funds invested in each project, and up to 20 years for new construction or acquisition of newly constructed housing. A mortgage shall remain in place during the affordability period or until the debt is repaid. Recapture will also be used for rental projects.

**Voluntary Transfer of Title:** For a voluntary transfer of title, the City shall be repaid the full amount of the balance(s) remaining on the HOME assistance if the HOME Borrower voluntarily sells, assigns, or transfers ownership of the property for any reason.

**Involuntary Transfer of Title:** For an involuntary transfer of title, when the HOME Borrower relinquishes the property due to a foreclosure, bankruptcy, appointment of a receiver or liquidator, or assignment for the benefit of the HOME Borrower's creditors, the City shall collect the net proceeds from the sale of the property up to the outstanding balance of the HOME assistance. A short sale to avoid an impending foreclosure will be considered an involuntary transfer if the foreclosure complaint has already been filed. Net proceeds are the sales price minus superior loan repayments and closing costs. In the event that the net proceeds are insufficient to repay the HOME loan, the City will then forgive part or all of the HOME assistance.



### **Subordinations**

Subordinations will generally not be allowed. Exceptions will be made on a case by case basis. Refinancing will be allowed for the following reasons:

- 1) limited to the existing first mortgage balance plus reasonable closing costs if refinancing places owner in a better economic situation and does not diminish the City's financial position in the property;
- 2) exorbitant medical expenses;
- 3) loss of husband/wife;
- 4) documented system failure (two estimates from reputable contractors); or
- 5) legal expenses incurred that would affect the health or stability of the household.

### **HOME Match Requirements**

The Cities of Auburn and Lewiston each have responsibility to meet their respective match requirements. As of November 29, 2011 the Consortium had accumulated \$764,168 of excess match.

Many homebuyer projects include match funds from state mortgage revenue bonds. Rental projects produced substantial match from state bond funds and private grants. There will be no match for home owner rehabilitation projects or security deposits.

### **CHDO Set-Aside**

The City of Auburn is currently working with Auburn Housing Development Corporation (AHDC), a HOME Community Housing Development Organization (CHDO), to act as a sponsor for the Homebuyer Program. The Homebuyer Program now requires that potential homebuyers save for a minimum six month period prior to purchasing a home. The cities will match \$3 to every \$1 saved for the down payment to purchase a home. Additionally, the cities will provide up to \$15,000 as an interest-free loan when necessary to meet the Consortium's debt-to-income ratios. The City and AHDC will sign an agreement whereby AHDC will accept monthly savings deposits from potential homebuyers for a home match savings account. This arrangement will allow both Auburn and Lewiston to utilize its CHDO reserve starting in FY2012.

Auburn Housing Development Corporation will also sponsor the YouthBuild project, also a homebuyer activity. The homebuyer activity should be adequate to absorb all of the CHDO set-aside.

### **Tenant-Based Rental Assistance Program**

Local market conditions contributed to the establishing a tenant-based rental assistance program—the Security Deposit Program. According to Lewiston-Auburn Alliance for Services to the Homeless (LAASH), people who are homeless or at risk of

## City of Auburn FY2012— Third Program Year Action Plan

---

homelessness have many challenges to secure housing. The membership agreed on a housing first approach to alleviate homelessness in the Lewiston-Auburn area. Housing first is based on two principles: 1) place homeless people in housing as quickly as possible and 2) once in housing, provide services to prevent recurrence. As a result of a strategic planning session, LAASH determined that a security deposit program would be an effective way of meeting the first part of the housing first principle—getting people housed as quickly as possible. A Security Deposit Loan Program was created to assist persons/families who are homeless or at-risk to gain access to housing.

HOME funds are now used to cover security deposits for tenants who receive a rental voucher from Auburn Housing Authority or Lewiston Housing Authority. The housing authorities, under agreement with the HOME Consortium, verify income and perform housing inspections.

A committee of 9 LAASH members created guidelines. Each Community Development Department handles its own day to day management of the program and oversight of the portfolio.

### **Affirmative Market Housing Policy**

In 2006 the Auburn City Council adopted a Fair Housing and Affirmative Marketing Policy. The policy identifies fair housing and affirmative marketing requirements during the affordability period for when there are 5 or more HOME-assisted units. Borrowers are required to 1) develop and submit an Affirmative Fair Housing and Marketing Plan and update every 5 years; 2) comply with all applicable federal, state, and local laws to affirmatively market and promote fair housing; 3) provide translators, as needed; 4) maintain documentation of affirmative marketing efforts throughout the period of HOME indebtedness; and submit an annual report that describes affirmative efforts.

### **Minority Outreach Program**

Every three years, the City updates its list of minority and women-owned business. The list includes contractors and consultants who may participate in providing services required to undertake activities. Whenever there is contracted work to be done on behalf of the City, organizations who have responded to an invitation to be included on a solicitation list will receive a notice of the work.

### **Monitoring Plan**

The complete monitoring plan is described on page 17 of the 2010-2014 Consolidated Plan. The FY2012 monitoring plan is summarized below.

**Community Development Program:** Monitoring of Community Development public service activities is scheduled on a three year rotation. The three year monitoring plan is as follows:

City of Auburn  
FY2012— Third Program Year Action Plan

---

|        |  |
|--------|--|
| FY2012 | Androscoggin Head Start & Child Care<br>Auburn Recreation Scholarships<br>Auburn School Department/Washburn School |
| FY2013 | Literacy Volunteers<br>Safe Voices   |
| FY2014 | Tedford Housing<br>Catholic Charities/Search<br>Catholic Charities/Residential Shelter                             |

**HOME Investment Partnerships Program:** Monitoring for principal occupancy of HOME funded homebuyer activities is scheduled every three years. Rental development projects are monitored every two years. The following is a schedule of rental homebuyer monitoring for FY2012 and FY2013.

|        |  |
|--------|--|
| FY2012 | Tedford Housing/Auburn<br>Tedford Housing/Lewiston<br>Webster School Apartments<br>Homebuyers  |
| FY2013 | Maple Street Apartments<br>Vincent Square Apartments<br>Bates Street Senior Housing<br>Birch Hill Elderly Housing<br>The Lofts at Bates Mill |

All homebuyer projects will be monitored in FY2012.



Appendix A  
Meeting Minutes

City of Auburn  
FY2012— Third Program Year Action Plan

---

Citizen Advisory Committee (CAC)  
Community Room, 2<sup>nd</sup> Floor Auburn Hall  
Minutes of February 15, 2012

**Present:** Ray Berube, Daniel Curtis, Belinda Gerry, Beverly Heath, Leonard Kimble, Larry Marcoux, Sharon Phillbrook-Bergeron, Diane Whiting, Rick Whiting  
**Staff:** Reine Mynahan, Melissa Wolf

Comments from staff are noted with (S) and from committee members are noted with (C):

*Review of 2010-2014 Consolidated Plan Year 1 Accomplishments*

- (S) Homebuyer and Security Deposit program numbers are down, likely commensurate with the state of the housing market. Though it is a good time for people with good credit to buy, the current trend is that many people are not moving.

Proposed 2012 Action Plan

*Resources*

- (S) Both the CDBG and HOME funds have been cut, by 16% and 38% respectively. In addition to the typical considerations regarding poverty and income levels, the drastic cut in HOME funds was exacerbated by the Washington Post article which focused on project failures.

*Proposed Budget Review*

- (C) Regarding the Commercial Loan Program, if nothing was spent in the past two years why is there an increase in the budget?
- (S) The program needs to be reviewed to see where there is opportunity for additional incentives and better marketing. The challenge is in having an attractive program which creates jobs and meets HUD restrictions.
- (C) What were the criteria used by the Public Services Selection Committee to determine which services would receive funding?
- (S) There was a scoring system in place that the committee members used to rate each proposal, but the final decisions were made by group discussion and consensus.

*Neighborhood Enhancement Program*

- (S) At the time that the 2010-2014 Consolidated Plan was adopted it was noted that target area neighborhoods are in need of work to 'spruce up' building exteriors. The Neighborhood Enhancement Program was developed to offer a low-interest loan for privately owned and investor owned properties in these areas. At the request of CAC member Jonathan LaBonte, two focus group meetings were held. The consensus

of the focus groups was that a low-interest rate loan would be an attractive incentive for such a program.

- Mayor LaBonte suggested that the NEP be a grant program instead of a low-interest rate loan. To fund a grant program, Mayor LaBonte's suggestion is to take \$30K from the Commercial Loan Program and another \$70K from the Rehab Program.
- (C) The benefit of a loan program versus a grant program is that it generates future income.
- (C) Instead of a straight grant, the funding could be used as seed money with a match from the owner.
- (C) In lieu of a grant or loan the program could be structured to provide tax breaks to owners doing exterior rehabilitation work.
- (C) If a property has deteriorated then a grant does not provide the motivation for the owner to maintain the property.
- (C) The program should be created as a pilot program with funding of \$50K from the Commercial Loan Program funds. Since the Rehab Program is a historically effective program, it seems as though we wouldn't want to take money away from it to fund a new program.

The committee discussed recommending the proposed 2012 Action Plan to the City Council and decided that in light of the large size of the group a vote on specific issues rather than group consensus would be best.

**Motion:** to move \$40,430 out of the proposed budget for the Commercial Loan Program

**Vote:** 9-0 in favor. Motion passed.

**Motion:** to approve the proposed Affordable Housing budget line items

**Vote:** 9-0 in favor. Motion passed.

**Motion:** to move 50% of the \$40,430 from the Commercial Loan Program to Public Improvements and 50% to Public Services

**Vote:** 4-5 in favor. Motion did not pass.

**Motion:** to move 100% of the \$40,430 from the Commercial Loan Program to Public Improvements

**Vote:** 5-4 in favor. Motion passed.

**Motion:** recommend the proposed 2012 Action Plan with the changes herein voted

**Vote:** 9-0 in favor. Motion passed.

Respectfully submitted,

Melissa C. Wolf  
Community Development Assistant